

Deputy Directors
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IN REPLY REFER TO:

**STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097**

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

CONSENT TO SUBLEASE, LEASE NO. DOT-A-09-0002
DFS GROUP L.P. TO ISLAND SHOPPERS, INC.
RETAIL CONCESSION, HONOLULU INTERNATIONAL AIRPORT OAHU

The Department of Transportation (DOT) is seeking the Board's consent for a sublease between the concessionaire under the Retail Concession Agreement at Honolulu International Airport and Island Shoppers, Inc.

PURPOSE:

To sublease a portion of the concession premises.

LEGAL REFERENCE:

Chapters 102 and 171, Hawaii Revised Statutes, as amended.

LESSEE/SUBLESSOR (APPLICANT):

DFS Group, L.P.

SUBLESSEE:

Island Shoppers, Inc., a Disadvantaged Business Enterprise (DBE).

LOCATION AND TAX MAP KEY:

Honolulu International Airport, Terminal Complex, 1st Division, 1-1-03: Portion of 1
Honolulu International Airport, Honolulu, Island of Oahu, Hawaii.

ZONING:

State: Urban
County: Industrial (I-2)

LAND STATUS

Honolulu – Section 5(a), Hawaii Admission Act – Ceded and Non-Ceded
Concession Encompasses both Ceded and Non-Ceded Land, Space to be sublet is Non-Ceded. DHHL 30% entitlement lands Yes ☐ No ☒

CONCESSION AGREEMENT TERM AND PREMISES:

Concession Agreement No. DOT-A-09-0002 for the Retail Concession at Honolulu International Airport commences on April 1, 2009 and continues through March 31, 2014. Premises are comprised of the following:

Building 310, Space No. 203A.
Building 341, Space Nos. 202C, 207D, 245, 255B, C, D and E.
Building 342, Space Nos. 279, 281A, B, C, D and E. Space No. 282 and 220C1.
Building 344, Space Nos. 208C and D. Space No. 245, 278A, 295A and B.
Building 346, Space No. 269A.
Building 350, Space No. 217, 218A, 247, 248, 249A.
Building 360, Space No. 261 and 262.
Building 363, Space No. 218A.
Building 373, Space Nos. 264 and 265.
Building 360, Storage (Non-Sales) Space No. 207C.

SUBLEASE TERMS AND PREMISES:

Sublease Term commence on April 1, 2009 and continues through March 31, 2014.

Premises consists of the following:

Building 350, Space #217 at approximately 544 sq. ft.; Space #218A at approximately 919 sq. ft.; Space #247 at approximately 350 sq. ft.; Space #248 at approximately 539 sq. ft. and Space #249A at approximately 554 sq. ft., as shown highlighted on Exhibit J.

USE:

Retailing, selling and merchandising of only products Applicant may sell as provided for in the Concession Agreement.

CONCESSION FEE

Through the end of the Concession Agreement term in March 31, 2014, the fee shall be the greater of the minimum annual guarantee or 20% of gross receipts.

SUBLEASE FEE:

As set forth in the Island Shoppers, Inc. Sublease Agreement, the fee shall be the greater of the minimum annual guarantee of \$500,000 or 20% of gross receipts.

IMPROVEMENTS:

Applicant is required to make improvements at no less than \$1,495,000.00 for the Premises comprising of the sales space. The spaces under the sublease to be occupied by Island Shoppers, Inc. are a part of the sales space.

REMARKS:

Island Shoppers, Inc. is defined as a Disadvantaged Business Enterprise (DBE), in the Code of Federal Regulations, Title 49, Part 23, Subpart F and is certified by DOT. Pursuant to federal law and DOT policy, DOT's goal is to encourage DBE participation in airport concessions. Applicant is satisfying its DBE goal, as defined in the Concession bid documents, by subletting a portion(s) of the premises to a certified DBE.

RECOMMENDATION:


That the Board authorizes the DOT to consent to the sublease as hereinabove outlined so that the DOT may proceed to process the consent to allow the sublease to be consummated, subject to the review and approval of the Department of the Attorney General.

Respectfully submitted,

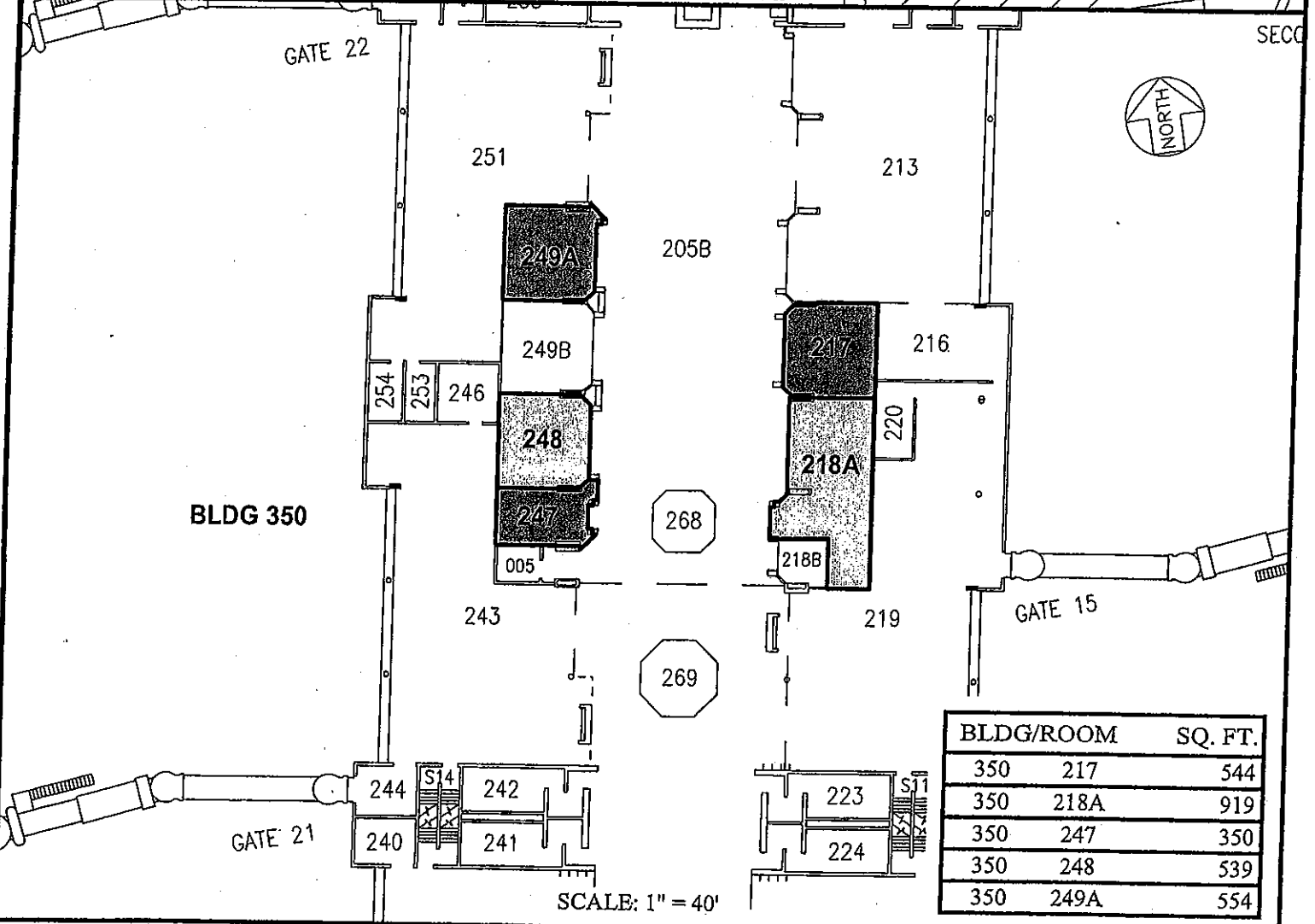
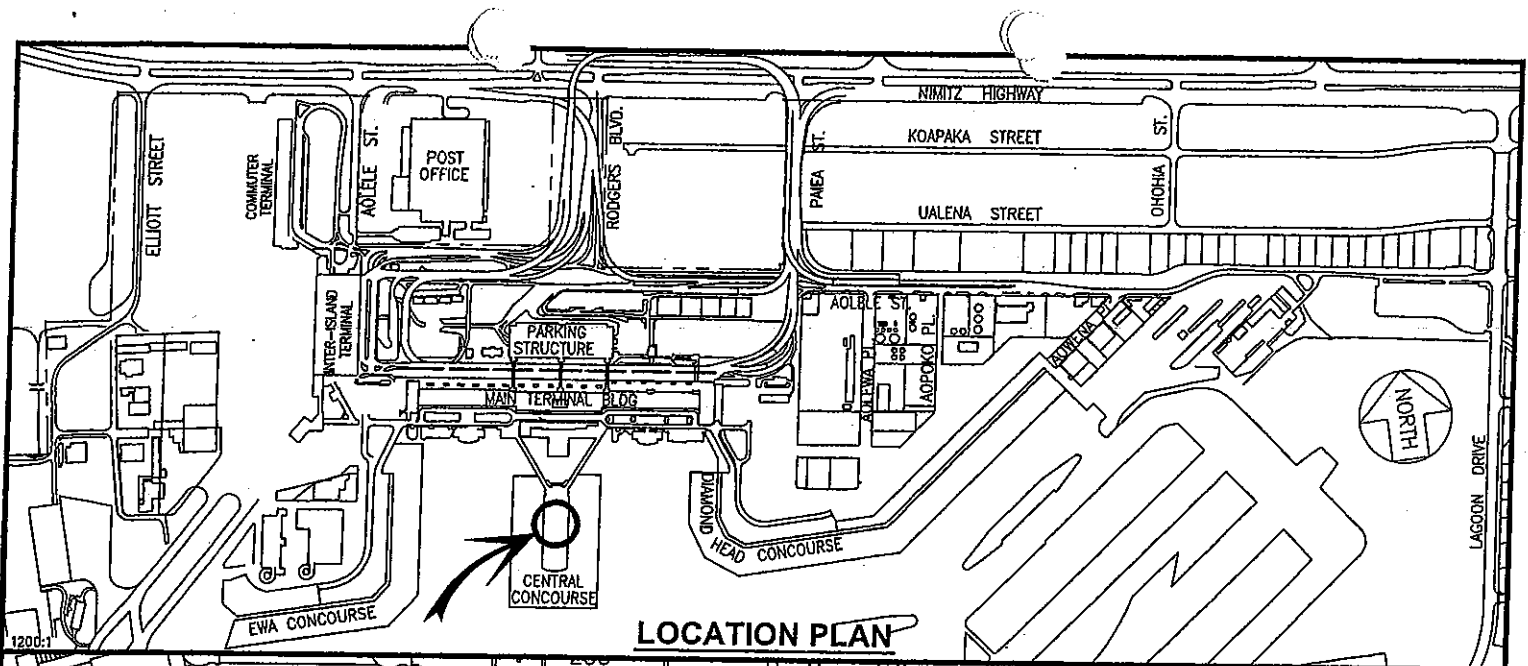


BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN
Chairperson and Member



BLDG/ROOM	SQ. FT.
350 217	544
350 218A	919
350 247	350
350 248	539
350 249A	554

DOT-A-09-0002

DATE : SEPTEMBER 2008
 EXHIBIT: J

Airports Division

RETAIL CONCESSION

BUILDING 350
 CENTRAL CONCOURSE
 SECOND LEVEL

350217,18A
 350247,48
 350249A
 PLAT A2